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SUBJECT: CAMBODIA'S TOP TEN TYCOONS

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¶1. (SBU) Summary. Prime Minister Hun Sen is making efforts to bridge the gap between the political and private sector by cultivating mutually beneficial relationships with the country's most prominent business tycoons. These business leaders contribute money to the ruling Cambodian Peoples Party (CPP) and Hun Sen can call on them to fund charities and public works projects and to attract foreign investment, achievements for which the CPP can claim credit. In return, the business tycoons enjoy the added credibility and legitimacy of having the Prime Minister's support. These symbiotic relationships illustrate the networks of business tycoons, political figures, and government officials that have formed in Cambodia, which reinforce the culture of impunity and limit progress on reforms such as Hun Sen's self-declared "war on corruption." Post highlights the storied lives and diverse investment portfolios of ten of the most prominent of these well-connected tycoons. End Summary.

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Kith Meng: "Mr. Rough Stuff"  
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¶2. (SBU) A dual Cambodian-Australian citizen with a BA from Australian National University, Kith Meng was born on September 1, 1968. He is described as a relatively young and ruthless gangster by Mekong Bank Chairman Michael Stephen (PROTECT). Another well-connected business man in the Cambodian community claims that Kith Meng is notorious for using his bodyguards to coerce others into brokering deals. As the chairman and CEO of Royal Group of Companies (RGC), his resume runs the gamut of many different businesses. He is concurrently the chairman of mobile phone company Cam GSM Co., Cambodia Television Network (CTN), Cambo Six European soccer betting Co., and CamLot Lottery Co. He has also become an exclusive distributor of Canon products. Kith Meng owns the Northbridge International School and the Cambodiana Hotel. One of the most widely recognized achievements of the Royal Group is its new joint venture with Australian-based ANZ bank, in which both companies established ANZ Royal Bank in 2005. The Royal Group owns 45% of the new bank. Kith Meng also recently launched a new Cambodian insurance company, Infinity General Insurance, through a joint venture with Kuala Lumpur-based Infinity Financial Solutions.

¶3. (SBU) Recently, Kith Meng was elected President of the Cambodian Chamber of Commerce. He also serves as an advisor to Prime Minister Hun Sen and serves on the board of the Cambodian Red Cross, whose President is Hun Sen's wife, Bun Rany. Politically, Kith Meng has good relations with the Cambodian People's Party, FUNCINPEC, and the Sam Rainsy Party. He claims credit for negotiating the three-way deal among the parties to engineer Sam Rainsy's return to Cambodia

in early 2006. Several sources believe that the CPP has tried to strengthen its relationship with Kith Meng because it wants CTN's ability to broadcast to a large number of Cambodians living abroad. Kith Meng speaks, reads, and writes both Khmer and English.

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Ly Yong Phat: "The King of Koh Kong"  
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14. (SBU) A prominent Cambodian-Thai dual citizen, Ly Yong Phat was born in Koh Kong on January 7, 1958 under the name of Phat Suphapha. He is nicknamed "The King of Koh Kong," for his prominence in his home province, which is located in southwestern Cambodia bordering Thailand. Although he never went beyond high school, Ly Yong Phat amassed a large fortune from importing and exporting cigarettes, generating electricity, and running casinos and resorts. He has good relations with businessmen and government officials on both sides of the Cambodian-Thai border, including particularly close ties to Cambodian officials of Thai heritage such as Defense Minister Tea Banh, Navy Commander Tea Vinh, and Koh Kong Governor Yuth Phouthang. Sihanoukville Governor Say Hak is his cousin.

15. (SBU) As he currently serves as a CPP Senator and advisor to Prime Minister Hun Sen, Ly Yong Phat boasts to visitors that he was personally appointed to develop his home province, Koh Kong. He also sits on the board of the Cambodian Red Cross, headed by Hun Sen's wife. He is the CEO and Chairman of the cigarette distributor Hero King Co. Ltd, an administrator and majority shareholder of Koh Kong Sugar Industry Co., Ltd, and the Koh Kong Plantation Co., Ltd. The Cambodian Center for Human Rights (CCHR) (PROTECT) reported that, after receiving land concessions that exceed the legal

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limit of 10,000 hectares from the government in 2006, Ly Yong Phat used his influence to send armed military police forces to grab land from villagers and to clear their lands by burning down their crops and trees. He speaks Khmer, Thai, and Chinese dialects.

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Mong Reththy: "Hun Sen's Money Man"  
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16. (SBU) With only four years of schooling at a temple in Phnom Penh, Mong Reththy has emerged as one of the most influential businessmen in Cambodia and is often referred to as "Hun Sen's Money Man." Born in Takeo Province on July 11, 1959, he founded Mong Reththy Group Co., Ltd, which initially exported rubber to Singapore, Malaysia, China, and other Asian countries. His company has now expanded and made a fortune in palm oil and cattle. Mong Reththy has also launched other companies such as Samnang Khmeng Wat (Luck of Pagoda Boy) Construction Co., Ltd, which received an exclusive contract to construct buildings for all of Prime Minister Hun Sen's charity projects. He has contributed greatly to Cambodia's infrastructure by building schools, pagodas, hospitals, roads, and bridges. His business portfolio also includes the Green Sea Agricultural Co. economic land concession in Stung Treng province, which is ten times the size permitted by Cambodia's Land Law of 2001.

17. (SBU) Mong Reththy is likely the closest business tycoon and ally to Prime Minister Hun Sen, given that they take trips together to China and they both lived in the same temple in Phnom Penh, Neakavoan, while attending secondary school. Also, Hun Sen publicly shielded Mong Reththy by deflecting accusations made by a former Secretary of State, the late Ho Sok, when Mong Reththy was implicated in a seven-ton marijuana drug bust in April 1997. Mong Reththy owns a private port, Oknha Mong Port (aka Keo Phos Port) near Sihanoukville, which he uses to export his agricultural products. Comment: The recently departed Canadian Ambassador (PROTECT) visited Oknha Mong Port and was disturbed by the extreme deference customs and police officials stationed

there paid to Mong Reththy, leading her to question how robustly government port security and customs measures are enforced. End Comment. Recently, Mong Reththy entered into a USD 50 million joint venture with Thai billionaire Charoen Sirivadhanabhakdi to build the first Cambodian sugar refinery by December 2008, in which Mong Reththy will have a 51% stake. The refinery will process sugar palm from Mong Reththy's large estate on the road to Sihanoukville. He is a Vice President of the Cambodian Chamber of Commerce, a board member of the Cambodian Red Cross and serves as a CPP senator as well as advisor to Hun Sen. He speaks Khmer and limited English.

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Sy Kong Triv: "Pacific Giant"  
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¶8. (SBU) Born into a well-to-do ethnic Chinese family in Kampot on August 8, 1947, Sy Kong Triv is the chairman of KT Pacific Group, a manufacturing and distribution company that provides one of the largest varieties of services in the country. He personally owns many local businesses including KTE Mitsubishi electronics and the Mondial Center, the largest business and wedding reception center in Phnom Penh. He also has joint ventures in a number of diverse businesses including British American Tobacco (BAT), Eastern Steel Industry Corporation and SCA Airport, through which he owns a large portion of the Phnom Penh International Airport. He is also the co-director along with Lao Meng Khin (co-owner of Pheapimex) of a Chinese tree plantation company called Wuzhishan LS, which has been accused of environmental degradation in sacred ancestral areas, negatively affecting the health of the local indigenous population, according to the Cambodian Human Rights Action Committee (CHRAC) (PROTECT).

¶9. (SBU) Like other major tycoons, Sy Kong Triv is one of the CPP's main financiers. He is also a Vice President of the Cambodian Chamber of Commerce and an advisor to the Association of Khmer-Chinese of the Kingdom of Cambodia. He speaks Khmer, Vietnamese, three Chinese dialects, and limited English.

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Kok An: "Gambling King Pin"  
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¶10. (SBU) Born in Koh Kong Province as Phu Kok An on July 7, 1954, Kok An dropped his Chinese last name (Phu) when Lon Nol

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seized control of the Cambodian Government and discrimination against Cambodians of Chinese ancestry was rampant. With a high school education, he started a lucrative business in the 1980s, trading goods between Thailand and Vietnam. In the 1990s, he became involved with the fishing business and the cigarette industry. He also broadened his business interests when he started operating Crown Resorts Casino in PoiPet and soon after built a power plant. Kok An is Managing Director of ANCO Brothers Company, Ltd, a Cambodian company that distributes tobacco for Singapura United Tobacco Ltd. (SUTL). Since 1993, he has distributed the 555 brand of cigarettes for British American Tobacco (BAT) in Cambodia.

¶11. (SBU) Kok An has strong ties to the ruling CPP and was reportedly one of the people who helped pay the USD 50 million in compensation to Thailand for damage to the Thai Embassy during the anti-Thai riots in early 2003, according to Director General of the Cambodian Chamber of Commerce Meng Tech (PROTECT). He currently serves as CPP senator and advisor to Prime Minister Hun Sen. He also is a member of the Cambodian Chamber of Commerce and on the board of the Cambodian Red Cross, run by Hun Sen's wife. Kok An speaks Khmer, Thai, Chinese, and some Vietnamese.

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Sok Kong: "Mr. SOKIMEX"  
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¶12. (SBU) Despite having only a third-grade education, Sok Kong managed to transform USD 50 into USD 50 million in capital. After fleeing Phnom Penh to Vietnam in 1975 when the Khmer Rouge seized the city, Sok Kong returned after the collapse of the Khmer Rouge regime and began a business distributing and supplying Vietnamese-manufactured rubber products such as bicycle tires. He soon created his own rubber mill and secured a contract with the government to produce rubber shoes made from tires. He also supplied the government with military uniforms, food, and medicine for military personnel.

¶13. (SBU) His company, SOKIMEX, is the largest petroleum supplier in the country and sells to both the government and the private sector. Although its primary product is petroleum from Vietnam, it has also expanded to provide transport, power, agro-industry, rubber plantations, and tourism services. One of SOKIMEX's biggest successes was acquiring the ticketing rights to Angkor Wat in 1999. There is much controversy surrounding the revenue from Angkor Wat as reports suggest that SOKIMEX is grossly underreporting the amount of money it makes from ticket sales. In addition, Angkor Wat conservation advocates say that insufficient revenue from these sales is dedicated to temple preservation. Sok Kong has also allegedly gained a bad reputation for not paying taxes on oil, but has recently made efforts to increase tax payments. He is still very close to Hun Sen and the government hierarchy. He speaks Khmer, Vietnamese and some French.

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Yeay Phu & Lao Meng Khin: "Power Couple"  
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¶14. (SBU) One of the most politically and economically connected couples in the country (after Prime Minister Hun Sen and his wife and Commerce Minister Cham Prasidh and his wife), Lao Meng Khin and Yeay Phu (aka Choeung Sopheap) were born on January 1, 1944 in Sihanoukville and May 11, 1949 in Kampot Province, respectively. They are the co-owners of Pheapimex Fu Chan Co. Ltd, a controversial logging company that has expanded to cover salt iodization, iron ore extraction, bamboo cultivation, pharmaceutical imports and hotel construction. According to a number of NGOs that monitor environmental issues, Pheapimex is the company that has acquired the largest total land area through the logging business. Recently, the company has shifted from logging concessions to economic land concessions (ELCs), by which it now has access to at least 315,028 hectares of land for agribusiness.

¶15. (SBU) Phu, who is of Chinese origin, uses her contacts in China to attract foreign investment from Chinese companies such as Wuzhishan LS and Jiangsu Taihu International. Her husband, Lao Meng Khin, is a Vice President of the Cambodian Chamber of Commerce, and he serves as a CPP senator and advisor to Hun Sen. Together, they have a joint venture with Sy Kong Triv through Wuzhishan LS for a pine tree plantation in Mondulkiri Province. This dynamic duo has a rather strong relationship to Hun Sen and his wife, Bun Rany. Lao Meng Khin has accompanied the Prime Minister on more than one trip

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to China, while Yeay Phu, who is a board member of the Cambodian Red Cross, is reportedly a close friend and business associate of Bun Rany. Yeay Phu is also a business associate of Tep Bopha Prasidh, the wife of the Minister of Commerce; and Ngyn Sun Sopheap, the wife of the Director of the National Department of Customs and Excise. The Pheapimex couple's son is married to the daughter of Lim Chhiv Ho, the Managing Director of Attwood Import Export Co., Ltd. In addition to Khmer, Lao Meng Khin speaks Mandarin Chinese and Yeay Phu speaks several Chinese dialects.

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Lim Chhiv Ho: "The Gatekeeper"  
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¶16. (SBU) Born in Sihanoukville on October 1, 1961, Lim Chhiv Ho is one of Cambodia's most well-connected women. She is the Managing Director of Attwood Import Export Co., Ltd, the official distributor in Cambodia for Hennessy Cognac and popular brands of beer and whisky including Johnnie Walker and Heineken. As a growing company, Attwood has diversified its services and now owns hotels, real estate and property development firms as well. The company has received contracts from the government to develop Special Economic Zones (SEZs) in Sihanoukville and Bavet near the Vietnamese border. She has also recently signed a joint venture with Zephyr Co. to create the Japan Cambodia Development Corporation, which will establish another SEZ close to Phnom Penh. To attract investment, these zones offer various privileges to both local and foreign businesses including a nine-year tax holiday, exemptions on VAT and import and export duties.

¶17. (SBU) Lim Chhiv Ho, a vice president in the Cambodian Chamber of Commerce, has very strong connections to other prominent government and business officials in the country. One of her strongest connections is to Choeung Sopheap (Yeay Phu), co-owner of Pheapimex Co. Lim Chhiv Ho's daughter is married to Yeay Phu's son. Lim is a close business associate of Tep Bopha Prasidh, Minister of Commerce Cham Prasidh's wife, who owns 10 percent of shares of Attwood valued at approximately USD 1 million. Lim Chhiv Ho is also a business associate of Ngyn Sun Sopheap, the wife of the Director of the National Department of Customs and Excise. Lim Chhiv Ho is a Cambodian Red Cross board member and fundraiser.

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Pung Kheav Se: "Banking Pioneer"  
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¶18. (SBU) A soft-spoken Cambodian of Chinese ethnicity, Pung Kheav Se was born in 1946 in Phnom Penh. He is one of the most well-known bankers in Cambodia. Pung Kheav Se fled Cambodia in the late 1970s to Montreal, Canada, where he made a fortune buying gold from the central bank and reselling it at a profit. As the founder of Canadia Bank, the largest bank in the country, he holds one-fourth of the nation's bank deposits. He is the owner of the Independence Beach Resort Hotel in Sihanoukville as well as the new upscale Sorya Shopping Center in Phnom Penh. He is also currently the chairman of Cambodia's Foreign Trade Bank and the Association of Banks in Cambodia, an advisor to Prime Minister Hun Sen, and an advisory member of the Cambodian Chamber of Commerce. He speaks Khmer, English and Chinese.

¶19. (SBU) Comment: Cambodia's tycoons are a close-knit and powerful group, who often share involvement in charitable activities like the Cambodian Red Cross and are further bound together by marriages and business partnerships. Many have been awarded the honorary title of "Okhna" which over the last five years has been bestowed on those who have contributed large sums of money to the government's coalition parties, CPP and FUNCINPEC. (Most of these donations appear to have gone towards the CPP party.) Another striking aspect of this network is the active involvement of the spouses of government and business officials who are significant shareholders in various businesses. Hun Sen's relationship to this group is both symbiotic and self-limiting. The tycoons help to finance the CPP, contribute greatly to economic growth, and undertake important charitable work such as the construction of schools and hospitals, while reaping the benefits of close government ties. Hun Sen announced a "war on corruption" in 2004, which was aimed at legal, judicial, and public administration reform. However, Hun Sen's very reliance on his tycoon network may hinder progress in battling corruption, illegal logging, and other sensitive issues that he claims are priorities. End Comment.  
CAMPBELL